

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

JUL 2 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	—)	
)	
FEDERAL-STATE JOINT BOARD ON)	CC Docket No. 96-45
UNIVERSAL SERVICE)	
)	
FORWARD-LOOKING MECHANISM FOR HIGH)	CC Docket No. 97-160
COST SUPPORT FOR NON-RURAL LECS)	

To: The Commission

COMMENTS

Skyline Telephone Membership Corporation ("Skyline"), by its attorneys and pursuant to FCC Rule Section 1.415, respectfully submits these Comments in response to the Commission's request for comments in the Further Notice of Proposed Rulemaking, released for comment on May 28, 1999 (FCC 99-120). Through these comments, Skyline supports the Commission's proposal that carriers who serve under 100,000 access lines should not have to continue to file annual self certification letters unless a carrier's status has changed since its last filing.

Introduction

1. Skyline is a not-for-profit North Carolina cooperative corporation headquartered in West Jefferson, North Carolina. Skyline is a landline exchange carrier ("LEC") owned by its subscriber members. All of Skyline's telephone facilities are located in rural areas of North Carolina.

2. As a rural LEC, Skyline's interest in this matter derives from its desire to reduce its regulatory burden and associated costs, in order to facilitate the provision of low cost services to the company's subscribers.

**Annual Self-Certification Is an Inefficient
Mechanism for Distinguishing Rural and Non-Rural Companies**

3. Rural and non-rural carriers receive universal service support, determined by separate calculations for each type. The Commission defines rural carriers as those that meet the statutory definition of a rural telephone company under Section 153(37) of the Communications Act.¹ The FCC has a legitimate interest in identifying companies that meet the definition, but annual certification is more than should be required to meet the objective of identifying the subset of rural telephone companies to which Skyline belongs.

4. Skyline is a rural telephone company under Subsection C of the statutory definition, being one that "provides telephone exchange service to any local exchange service area with fewer than 100,000 access lines."² Skyline has been of this character since it began offering local exchange service decades ago, and it will continue to be so for many years to come. Nevertheless, each year since the

^{1/} See 47 U.S.C. § 153(37); *Unviversal Service Order*, 12 FCC Rcd at 8944, para. 310.

^{2/} See 47 U.S.C. § 153(37)(C).

certification requirement was adopted,³ Skyline has filed with the Commission and with its state commission a letter self-certifying its status as a rural company, along with supporting documentation. Repeatedly filing identical letters every year has proven to be an administrative burden for the company. With each filing, Skyline incurs legal fees, loses staff time and risks repercussion if for any reason the filing is overlooked, misdelivered, or untimely filed. Skyline presumes there to be a parallel burden upon FCC staff to review, sort and store the annual filings. This effort should not be mandated by the Commission if there is a less onerous manner by which to assure compliance with the Commission's policy objectives.

5. Skyline is in company with the hundreds of other LECs who certify each year their status as rural telephone companies serving fewer than 100,000 access lines. Because a company's status does not generally change from year to year, it should be unnecessary to certify its status each year. Annual re-certification is a redundant and fruitless exercise. Furthermore, the factors affecting a company's status as a rural telephone company are reported in other public documents, including regular reports to NECA. Those resources can be used to confirm that a company's has not changed. If status does change, it should be the responsibility of the company to notify the Commission.

^{3/} Self-Certification as a Rural Telephone Company, *Public Notice*, DA 97-1748 (rel. Sept. 23, 1997).

**Carriers Having Certified to Serving Under 100,000 Access Lines
Should Be Required to Certify Thereafter Only to a Change of Status**


6. Having filed with the Commission a letter certifying that it satisfies criteria (C) of the rural telephone company definition, Skyline and like companies should be required to report to the Commission only a change of that status. Skyline, for one, would be very much aware of any change in its position as a rural telephone company, and the implications of such change upon the company's receipt of universal services support. Skyline assuredly would report to the Commission the change of status, and would propose to do so by the next filing due date for annual rural certifications.

7. It is in the general public interest to lessen the regulatory burdens placed upon rural telephone companies. Such companies already must stretch resources to maintain and improve service offerings to small and scattered groups of subscribers. As a non-profit cooperative, Skyline certainly has no extra budget for duplicative filing requirements upon which the government will take no action. Skyline serves about 31,000 access lines. It will be a long time before it serves more than 100,000 access lines. In the meantime, Skyline would be greatly relieved to no longer be required to annually certify its status. Skyline's customers will benefit if Skyline's personnel may concentrate more on customer service and less on costly regulations.

Accordingly, Skyline supports the Commission's proposal to eliminate the annual certification requirement for carriers who have certified their status under subsection C of the statutory definition of rural telephone companies, and to require further certification from such companies only in the event that the carrier's status changes.

Respectfully submitted,

SKYLINE TELEPHONE MEMBERSHIP CORPORATION

By: 
David L. Nace
Pamela L. Gist

Its Attorneys

Lukas, Nace, Gutierrez & Sachs Chartered
1111 19th Street, N.W., Suite 1200
Washington, D.C. 20036
(202) 857-3500

July 2, 1999

CERTIFICATE OF SERVICE

I, Michael D. Hunter, an employee in the law offices of Lukas, Nace, Gutierrez & Sachs, Chartered, do hereby certify that I have on this 2nd day of July, 1999, sent by first class United States mail, copies of the foregoing COMMENTS to the following:

Magalie Roman Salas, Secretary*
Federal Communications Commission
445 Twelfth Street, S.W., TW-A325
Washington, D.C. 20554

Ms. Sheryl Todd*
Accounting Policy Division
445 Twelfth Street, S.W., 5-A523
Washington, D.C. 20554

International Transcription Service, Inc.*
1231 20th Street, N.W.
Washington, D.C. 20037

Jere W. Glover, Chief Counsel for Advocacy
Small Business Administration
409 3rd Street SW, Suite 7800
Washington, D.C. 20416



Michael D. Hunter

*By hand-delivery